GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5107
ANSWERED ON:24.04.2015
ONLINE SALE OF INSURANCE POLICY
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Will the Minister of FINANCE be pleased to state:

(a) whether Government/Insurance Regulatory Development Authority of India (IRDA) have approved online sale of insurance policies;

(b) if so, the details thereof;

(c) whether Government has registered complaints regarding fraud in the form of misspelling of online insurance policies during the last three years; and

(d) if so, the details thereof ?

Answer

Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a): Insurance Regulatory and Development Authority of India (IRDAI) vide its Circular Ref. No. IRDA/ADMN/GDL/MISC/059/04/2011 dated 05.04.2011 has issued Distance Marketing guidelines which include every activity of solicitation (including lead generation) and sale of insurance products through the following modes:-

i. Voice mode, which includes telephone calling,
ii. Short Messaging Service (SMS),
iii.Electronic mode which includes e-mail, internet and interactive television,
iv. Physical mode which includes direct postal mail and newspaper and magazine inserts and,
v. Solicitation through any means of communication other than in person.

These guidelines cover distance marketing activities of insurers/brokers and corporate agents (with specific approval of insurers) at the stages including offer, negotiations as well as conclusion of sale.

(b) The list of products approved by the Authority which are offered for sale online is as per Annexure .

(c) and (d) : IRDAI puts all complaints of mis- selling under the category of Unfair Business Practices at the Point of Sale and keeps track of such instances. Primarily these complaints relate to life insurance policies. The number of such complaints respectively for the years 2011-12, 2012-13, 2013-14 and 2014-15 were 34,799, 68,123, 79,978 and 62,835.